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TAGS: OECS ENRG EINV ETRD ECON SENV XL  
SUBJECT: GRENADA EAGER TO DEVELOP ALTERNATIVE ENERGY -- BUT  
IS IT READY?

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SUMMARY  
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¶1. (U) Poloff met with Ministry of Energy and Environment Officials, senior officials from GRENLEC, the American-owned private utility company in Grenada, and the President of Grensol, a solar power provider, to assess the state of play of alternative energy development in Grenada. The consensus among our interlocutors was that Grenada has tremendous potential geothermal, wind, and solar power resources and the island nation could be powered entirely by green energy within 15 years. End summary

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GRENLEC Cautiously Optimistic Regarding Geothermal  
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¶2. (U) Poloff met with senior officials of GRENLEC, the local energy producer and distributor, and with senior officials from WRB, the Tampa, Florida company that owns both GRENLEC and DOMLEC in Dominica. WRB execs claimed they are seriously looking at developing geothermal sites in the country. Grenada has ample geothermal resources, they noted, but the temperatures at the geothermal sites are below optimal for production using traditional geothermal extraction and production technology. Consequently, GRENLEC is in negotiations with several geothermal power producers in the US that are developing "cool" geothermal technology -- technology that could make geothermal power production at lower temperatures a reality within ten years.

¶3. (U) WRB, GRENLEC's parent company, is looking for joint venture partners to share both the relatively high upfront costs of drilling exploratory shafts, as well as eventual development of a geothermal power plant. They believe that Grenada could easily meet 100 percent of its energy needs from the geothermal power if the potential and the technology intersect properly. Installed electricity capacity is 30 MW in Grenada, 1 MW in Carriacou, and 150 KW in Petite Martinique. Domestic consumers use 140 kwh, with St. George's University being the biggest single consumer, taking up to 2.5 mw, 10 percent of peak load. Company executives feel that they have adequate supplies of electricity. Power is 98 percent generated through diesel fuel, procured mostly under the Petrocaribe arrangement with Venezuela.

¶4. (U) Environment Minister Michael Church and Minister of Public Works Joseph Gilbert likewise expressed enthusiasm for geothermal potential and affirmed their desire to see GRENLEC undertake development of the rich geothermal potential. The Geothermal sites are located in the far north of the island, so new transmission grids would have to be installed, but

GRENLEC officials said that was a minor problem in developing the site. The real problem was finding a partner with the resources and upfront capital to invest. According to Church and Gilbert, Prime Minister Tillman Thomas is particularly keen on developing geothermal sites as the sites sit in his and Gilbert's constituencies.

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Wind Power Potential Still Being Explored  
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**15.** (U) GRENLEC and the government also expressed interest in taking advantage of Grenada's abundant wind energy potential. They are currently looking at erecting wind farms, and had almost broken ground on a wind farm in NE Grenada based on data collected on wind capacity over the last two years. However, reports some Grenadians culled from the internet that wind farms cause cancer, miscarriages in animals, and sterility in humans, as well as killing birds and bats, generated widespread anxiety and confounded those plans. (Note: Similar fears postponed a potential wind farm project in Barbados. End note.) GRENLEC is now looking at developing a site on government-owned land on the neighboring island of Carriacou and has submitted a formal proposal. GRENLEC would like to generate 10 percent of their power from renewable energy from the wind farm by 2013 and 20 percent by **2017.**

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Solar -- Two Percent of Power, More to Come?  
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**16.** (U) Grensol, a local solar power company, has entered into a power purchase agreement with GRENLEC that is capped at 1 percent of grid capacity. Grensol has installed 25 systems, mostly in residential buildings, and is looking at installing systems on hotels and government buildings. They are also looking at installing solar power at St. George's University and at the local hospital. A number of firms in Grenada, including one of the major hotels, are looking at installing solar power systems. Grensol sources their solar panels from Evergreen Company, based in Massachusetts, and their converters from a German supplier. Poloff briefed the company CEO, Dale Burhardt, who is also a St. George's Neurology Professor, on possible Ex-Im and OPIC financing options for renewable energy projects. They would like to greatly expand their operations in Grenada, with or without GRENLEC's cooperation. Grensol would like to sell solar systems that are off grid as well as connected to the grid. Grensol's president was skeptical that geothermal power will take off, noting the high cost of development and questioning whether GRENLEC is really committed to developing alternative power.

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Comment  
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**17.** (SBU) All our interlocutors believe that alternative energy resources will be developed in Grenada over the next few years and that within ten years Grenada could be close to 100 percent green energy. At this stage, though, given high start-up costs and small markets, much of the buzz for renewable energy in Grenada appears to be at a rather abstract level. This is particularly true for geothermal, which would require substantially more money, research, and technological advancement, but also applies to wind power, where "eyesore" and environmental concerns continue to slow development plans throughout the eastern Caribbean. Solar has the most immediate potential, especially on small-scale projects, but will likely continue to face opposition from electrical utilities that have trouble staying in the black in these small markets.

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